

Message Text

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11

ACTION XMB-07

INFO OCT-01 EA-11 ISO-00 EB-11 EUR-25 CCO-00 CIAE-00

OTPE-00 FCC-03 INR-10 NSAE-00 OC-06 RSC-01 AID-20

FRB-02 TRSE-00 OPIC-12 SP-03 CIEP-02 OMB-01 DRC-01

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R 210900Z JUN 74

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC PRIORITY 4462

INFO USDOC WASHDC

LIMITED OFFICIAL USE SEOUL 4022

FOR EXIMBANK

E.O. 11652: N/A

TAGS: BEXP, ETEL, KS

SUBJECT: SECOND KOREA COMMUNICATIONS SATELLITE EARTH STATION

REF: SEOUL 3440

1. EMBASSY HAS BEEN ADVISED BY LOCAL PHILCO-FORD CORP. REPRESENTATIVE THAT AWARD OF SUBJECT PROJECT TO PHILCO-FORD (LETTER OF INTENT REPORTED REFTEL) IS IN JEOPARDY DUE TO POSSIBLE UNAVAILABILITY OF EXIMBANK FINANCING.

2. PHILCO-FORD'S COMPETITOR, RCA CANADA, WHICH HAD BEEN NOTIFIED BY MINISTRY OF COMMUNICATIONS (MOC) OF AWARD OF LETTER OF INTENT TO PHILCO-FORD, EXTENDED ITS OFFER UNTIL JUNE 30, 1974. CANADIAN FINANCING FROM EXPORT DEVELOPMENT CORPORATION (EDC) WOULD COVER 90 PERCENT OF \$5 MILLION PACKAGE, WITH 10 YEARS TO PAY IN 16 SEMI-ANNUAL PAYMENTS DUE TO START 6 MONTHS AFTER ACCEPTANCE OF INSTALLATION. INTEREST RATE WOULD BE 8 PERCENT.

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3. THERE IS NO DOUBT AWARD OF THIS CONTRACT HINGES ON

AVAILABILITY OF ADEQUATE FINANCING. MOC IS REPORTEDLY
WELL SATISFIED WITH PHILCO-FORDS'S WORK ON EXISTING
KOREAN STATION AND WOULD LIKE THEM TO DO SECOND SATELLITE.
CANADIAN COMPETITION HAS BEEN INTENSE AND WILL WIN OUT
UNLESS EXIMBANK FINANCING AVAILABLE.

4. PHILCO-FORD REPRESENTATIVE ASKED EMBASSY TO QUERY
EXIMBANK RE EARLY AND FAVORABLE CONSIDERATION SO THAT
U.S. WOULD CONTINUE TO GET THIS ADDITIONAL BUSINESS.
GREATLY APPRECIATE EXIMBANK'S REPLY WHICH WE CAN CONVEY
TO PHILCO-FORD.
DECONTROL UPON RECEIPT.
HBIB

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Message Attributes

Automatic Decaptioning: X
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Disposition Authority: CollinP0
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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30 JUN 2005

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TAGS: BEXP, ETEL, KS, CA, US, PHILCO FORD, XMB
To: STATE
Type: TE
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